LOCKHEED MARTIN

January 15, 2002

Mr. Gerard J. Thibeault Executive Officer California Regional Water Quality Control Board Santa Ana Region 3737 Main Street, Suite 500 Riverside, California 92501-3339

Dear Mr. Thibeault:

This report is submitted in accordance with the approved August 15, 1997, Workplan and Schedule prepared under Cleanup and Abatement Order No. 97-58. It covers activity from October through December 2001.

Perchlorate Sampling

Monthly sampling for perchlorate in selected production wells has been ongoing. The results have been submitted previously to the Regional Water Quality Control Board (Production Well Sampling Reports, and the Water Supply Contingency Plan Report).

Modeling

Attended a meeting of Newark Plume modeling group. LMC is participating in information sharing with this group for the purpose of information exchange.

Revisions to LMC's Bunker Hill Basin ground water flow model are being completed using the most recent water quality data. This model is used in predicting future plume migration patterns.

Perchlorate Treatment Technology Update

Preliminary investigations of the potential use of biological treatment methods to remove perchlorate from potable water sources have been initiated with a company called Envirogen. The California DHS Technology Division has indicated they would be receptive to the application of this type of treatment methodology. A work plan for pilot testing this process at a Gage well is being prepared for review by DHS and City of Riverside.

City of Riverside

The North Orange Pipeline Project has been awarded by the City of Riverside, which will support WSCP implementation.

City of Loma Linda

We are finalizing the well configurations with the City of Loma Linda for Mountain View-4 and 5 and Richardson-4, in order to comply with agreements regarding WSCP. These configuration changes will give the City the flexibility within their system to blend water that meets MCLs.

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LMC is evaluating alternative plans to improve the blending capabilities of the City's water supply system. The selected blending plan will be submitted to DHS for approval.

Victoria Farms

Lockheed Martin Corporation has submitted a legal agreement to Victoria Farms for permanent water supply connection to San Bernardino.

City of Redlands

A written proposal has been submitted to the city for a test using ion exchange technology for perchlorate treatment that would enable the Texas Street treatment plant to be reactivated during high demand periods. This proposal is currently under review by the city.

Loma Linda University

No activity to report during this period.

Perchlorate Study Group

The PSG continues to maintain a dialogue with OEHHA and is providing technical data and comments to OEHHA in support of their efforts in establishing a new perchlorate standard.

Staffing

No activity to report this period.

The next quarterly update will be submitted on or about April 15, 2002. If you have any questions, please contact me at (818) 847-0197.

Sincerely,

Gene Matsushita

Technical Projects Manager

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C: Kalyanpur Baliga, DOHS

Jon Satrom, USAF, North Air Force Base

Wesley Danskin, US Geological Survey

Dodie Farmer, Victoria Farms

Gary Snyder, COLL

Chris Bahnsen, San Bernardino Valley Water Conservation District

Doug Headrick, City of Redlands

Ross Lewis, Gage Canal Company

Kevin Mayer, US EPA

Steve Mains, Western Municipal Water District

Morris Matson, LLU

Eugene McMeans, Riverside Highland Water Company

Zahra Panahi, City of Riverside

Bob Reiter, San Bernardino Valley Municipal Water District

Toby Roy, DOHS (San Diego)

Alain Sharp, Earth Technology Corporation

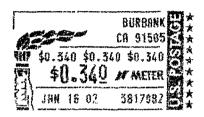
Joseph Stejskal, City of San Bernardino

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